



DIGITAL EURO

Vienna

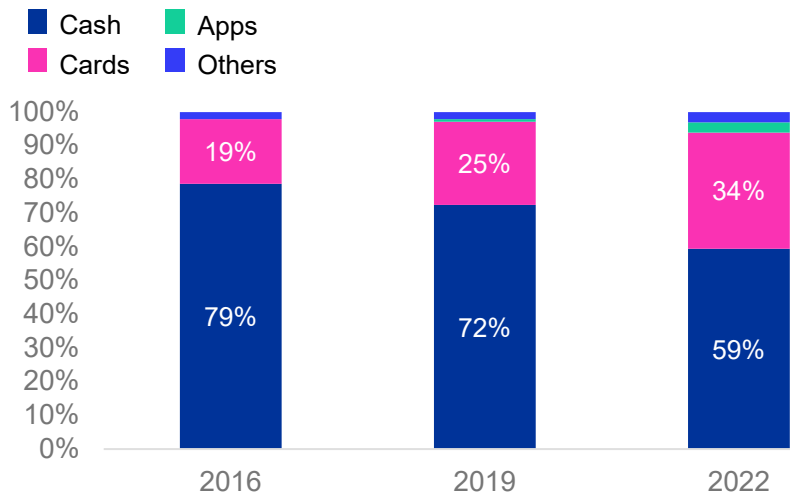
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AL Mag. Wolfgang Haunold
Oesterreichische Nationalbank

Digitalisation is changing the way we pay

Share of payment instruments at POS by number of transactions:



Europe's digital payment challenge: Geopolitical tensions and fragmentation



- **Highly fragmented payment landscape in Europe**
 - Many **national card schemes** (none in AT)
 - 2/3 of all digital payments are processed via **International Card Schemes**
- **Dependence on non-European providers**
 - No European governance and standards
 - Lack-of-Competition practices → high fees
- **No digital payment infrastructure in the euro area that is universally accessible by all PSPs**

Distribution and acceptance

Eurozone



- **PSPs** shall offer the basic digital euro services
- **Public authorities or designed institutions** (post office) shall offer the basic services and **support inclusion**
- Digital euro will be accepted by **merchants/businesses** who accept any other electronic means of payment

EU Member States – local currency ≠ EUR



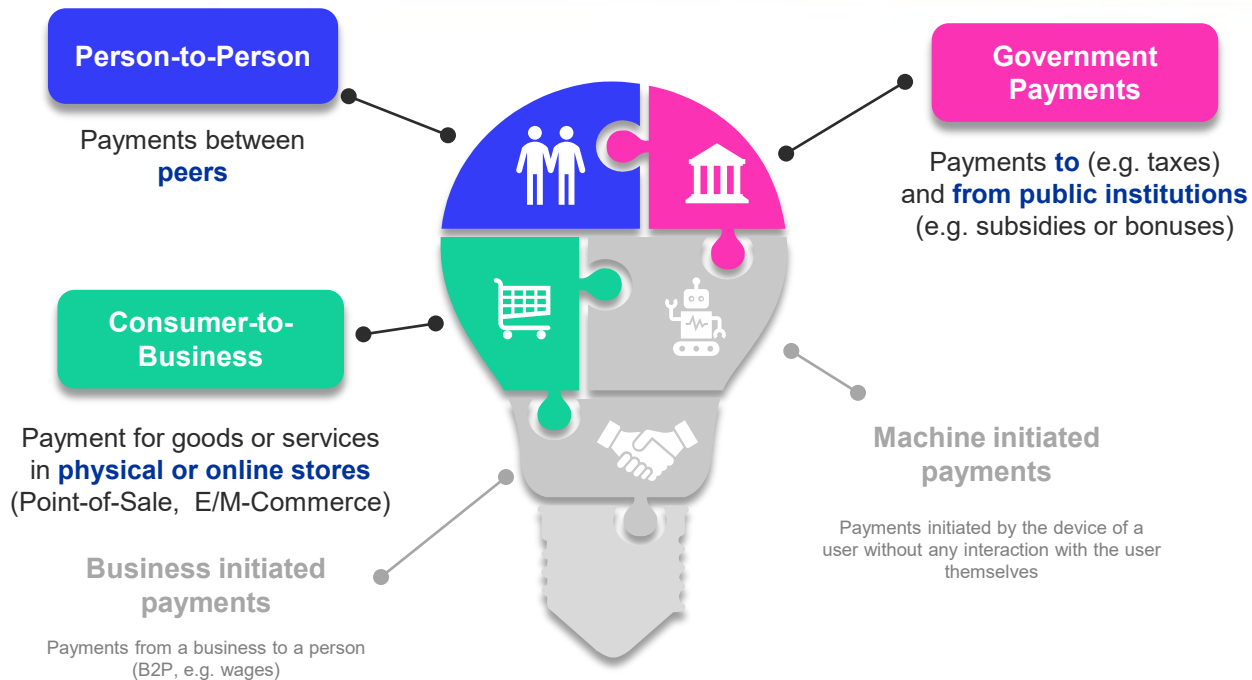
- PSPs may only distribute digital euro if the **ECB and the local NCB** have signed a prior arrangement
- **PSP's settling digital euro** payments must be compliant with the **EU payments legislation**

Third countries – local currency ≠ EUR

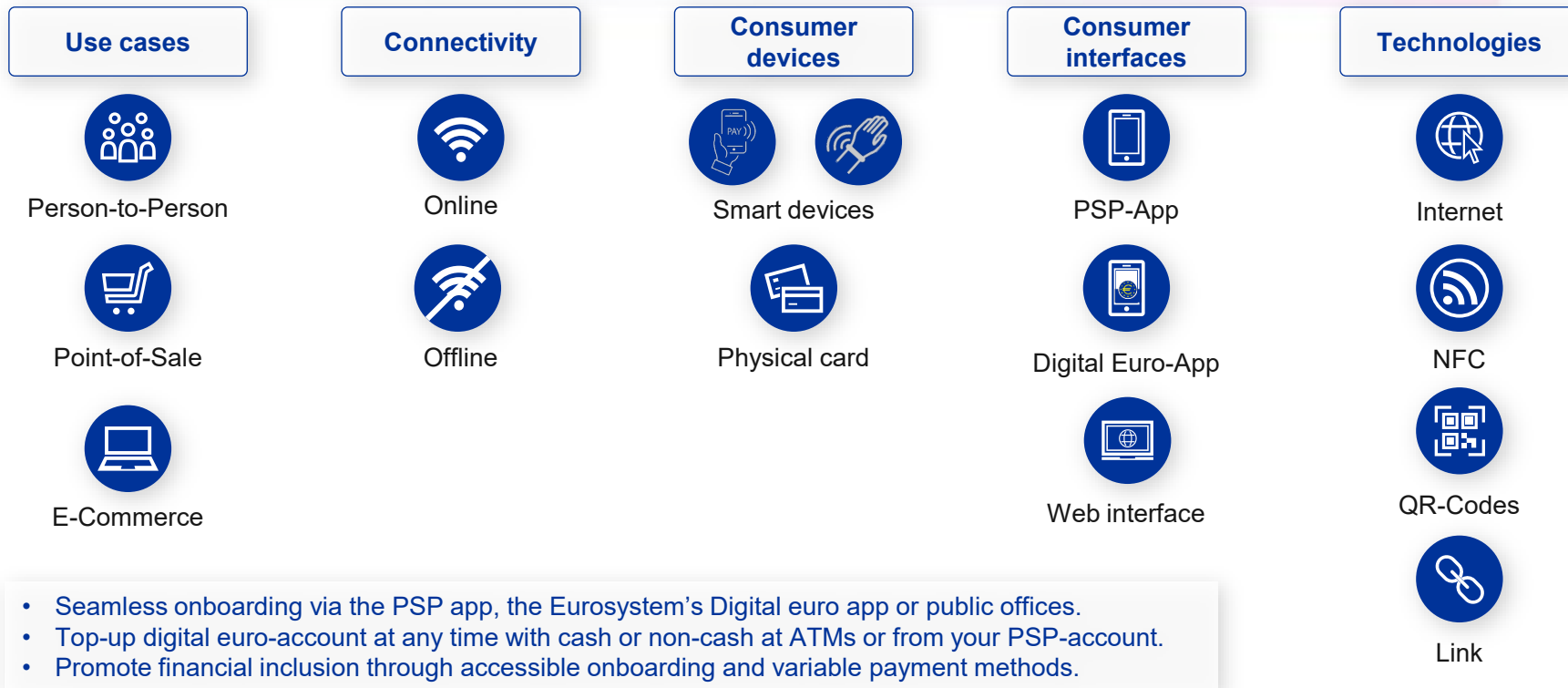


- PSPs may only distribute digital euro if the **EU and the third country** have signed a prior agreement

Use Cases for the digital euro



Digital euro - convenient and universally accepted payment experience



1. USP – Privacy by Design



Data protection is a key feature for the digital euro.



Offline digital euro payments will offer consumers a cash-like level of **privacy**.



For the **Online** digital euro payments, privacy would be implemented under the **current law and market practice**.



As with other digital payments, intermediaries would have **access** to certain data in order to **comply with EU law (AML/CFT)**.



Neither the Eurosystem itself nor intermediaries would be able to **directly connect transactions to specific individuals**.



To ensure confidence in the Eurosystem, there will be a digital euro **data protection** and **audit concept**.

2. USP – No One Left Behind: Inclusion Through Design



Paying with a **d€- Card** that can also be loaded with cash



Personal **Technical Support**



Quick and easy **Switching of PSPs**



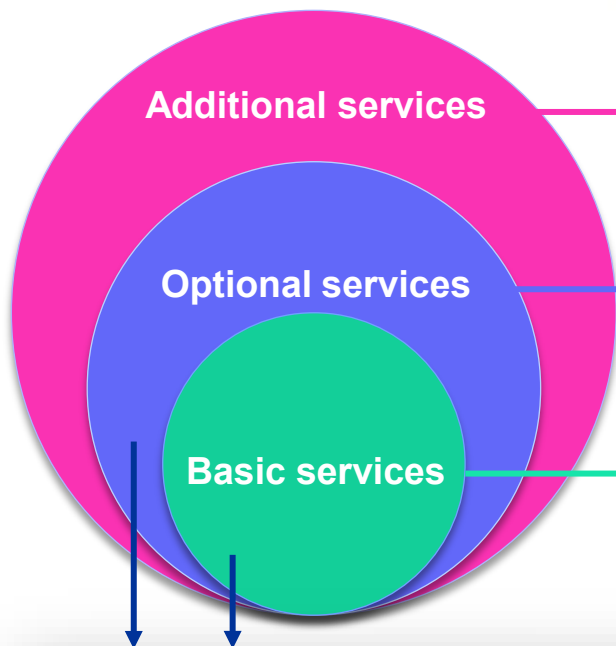
Offline payments even in areas **without network coverage**



Basic Services also from public authorities



Unlocking Value: three different types of services for Consumers



Additional services from supervised intermediaries, which can **enhance the core product** and **improve the user experience**.

The provision of additional and optional services would be **voluntary for supervised intermediaries**, fostering competition between intermediaries.

Basic services are **required for the introduction of the digital euro** in order to fulfil the main goal.

Their provision is therefore mandatory for supervised intermediaries.

These services will be supported by the Eurosystem

Staying ahead of the curve: preparing our currency for the future



Investigation phase

October 2021 – October 2023

Concept definition,
technical exploration and
design proposal

Preparation phase Part 1

November 2023 – October 2025

Main foreseen activities:

- Finalising the **scheme rulebook**
- Selecting **service providers**
- Learning through **experimentation**
- **Deeper dive** into technical aspects, including further research into offline functions and developing a testing and rollout plan for the future

Preparation phase Part 2

From November 2025

Potentially developing and
rolling out digital euro use
cases

The digital euro-project in the OeNB



Stakeholder management



Austrian Payments Board

Banks C-Level, WKO

Forum on Digital Euro

Banks, WKO, AK, PSPs, Universities

Sandboxing

PoCs, document-exchange

Council Working Group

Exchange of information with the BMF

Communication

Website, Open Forum, Social Media

Work in the Eurosystem



High-Level-Taskforce

Project Steering Group

Eurosystem Committees

Rulebook Development Group

Thank you

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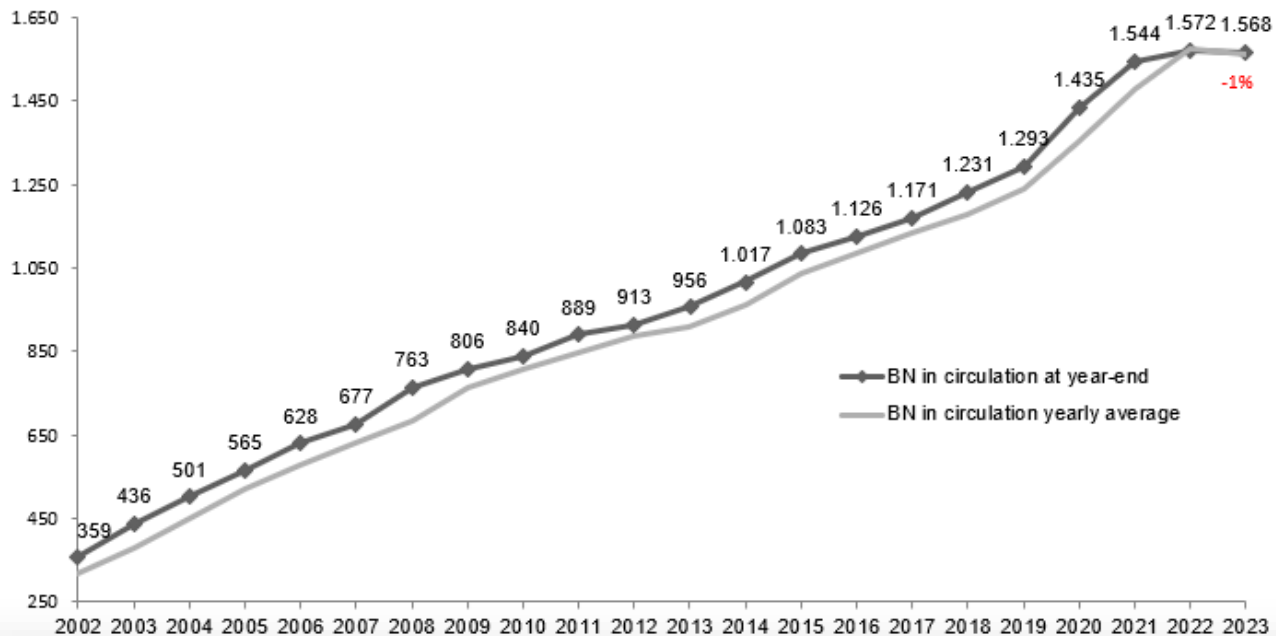
 [OeNB](https://www.youtube.com/OeNB)

 [Oesterreichische Nationalbank](https://www.linkedin.com/company/Oesterreichische-Nationalbank)

Website - ECB

- [Digital euro](#) - Homepage
- [FAQs](#) on a digital euro

Banknotes in circulation



Since the introduction of the euro in **2002**, banknotes in circulation **increased 8% on yearly average**. For the year **2023** the average banknotes in circulation **decreased for the first time with -1%** (2022: +6%).